

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

**IN THE MATTER OF THE PETITION)
OF THE STAFF OF THE DELAWARE)
PUBLIC SERVICE COMMISSION AND)
THE DELAWARE DIVISION OF THE)
PUBLIC ADVOCATE FOR APPROVAL OF)
REVISIONS TO DELMARVA POWER &)
LIGHT COMPANY'S ELECTRIC TARIFF)**

PSC DOCKET NO. 20-0217

PETITION

The Staff of the Delaware Public Service Commission (“Staff”) and the Delaware Division of the Public Advocate (“DPA”) hereby petition the Delaware Public Service Commission (“Commission”) for approval of revisions to Delmarva Power & Light Company’s (“Delmarva” or the “Company”) tariffs governing Delmarva’s provision of electric distribution services, and in support thereof states as follows:

1. In February 2007, Delmarva filed an application with the Commission for approval of a proposal to implement demand side management and energy efficiency programs and to install advanced metering infrastructure (“AMI” or “Smart Meters”). To persuade the Commission to approve its AMI proposal, Delmarva told the Commission that AMI would “... allow the Company to collect and transmit customer information such as billing data, usage patterns, voltage levels and outage information, and ultimately send information to Delmarva’s computer system, where the Company could process it and use it to better serve customers.”¹

2. Delmarva asked for, and received, regulatory asset treatment for the costs of implementing AMI.² Delmarva ratepayers have paid, or are still paying, \$72.04 million

¹Docket No. 07-28, “Blueprint for the Future,” Application, at p.8. All cited pages of the Application and testimonies from witnesses in other dockets addressing AMI are included in Exhibit 1.

²Docket No. 07-28, Order No. 7420, at p.5 (Sept. 16, 2008).

associated with installing AMI,³ and \$39 million associated with the premature retirement of analog electric meters, deferred operating and maintenance costs, incremental depreciation expense, and returns on the regulatory assets that the Commission authorized Delmarva to create to record AMI-related expenses.⁴

4. The claimed benefit of AMI in assisting Delmarva to use customer information to better serve its customers has apparently *not* been recognized. Since the current Public Advocate took office, he and his staff have received numerous complaints from customers who were either initially placed on Medium General Service (“MGS”) based on a previous occupant’s usage, or who were automatically transferred to MGS from Small General Service-Non Demand (“SGS”) because they used more than 3500 kWh for two consecutive months, but have never been returned to SGS after twelve months of not exceeding this threshold. This is a significant issue because MGS customers pay a hefty monthly demand charge in addition to a higher fixed customer charge, while SGS customers pay a much less expensive monthly customer charge and no demand charges.⁵ For the Commission’s convenience, we provide the pertinent tariff terms here.

- When two or more service classifications are available for the same class of service, the customer shall select the service classification to be applied.⁶
- A customer is eligible for SGS if their maximum monthly usage is less than 3500 kWh. If an SGS customer’s monthly usage exceeds 3500 kWh for any two consecutive months, that customer is automatically transferred to MGS (and is subject to paying a demand charge). The customer must remain on MGS for at least 12 billing months, even if their usage in succeeding months is less than 3500 kWh. After those 12 months have expired, the customer can choose to return to SGS if they have not used more than 3500 kWh for any two consecutive months during that 12-month period. (Note that, unlike the transfer to MGS, the transfer back to SGS is *not* automatic.)⁷

³Docket No. 11-528, Prefiled Direct Testimony of William Gausman at p. 14, Table 5.

⁴Docket No. 11-528, Direct Testimony of Gary Cohen, pp. 5-6.

⁵Volumetric rates are higher for SGS customers than MGS customers, but SGS customers do not pay demand charges.

⁶Delmarva Electric Tariff, Section V.C., First Revised Leaf No. 16.

⁷*Id.* at Leaf No. 43 and Fourth Revised Leaf No. 60.

- A customer is eligible for MGS if their usage exceeds 3500 kWh for two consecutive months and they have a summer maximum measured demand that does not exceed 300 kW. If their summer maximum measured demand in June, July, August, or September exceeds 300 kW, the customer will automatically be transferred to Large General Service.⁸
- Rider NEM contains several criteria for eligibility. The important provision for purposes of this Petition is that “[t]he monthly rates, rate components and billing unit provisions shall be those as stated under the Customer’s applicable Service Classification,” which is determined by the Customer’s *net usage* for which it is billed... .”⁹

6. As can be seen, the tariffs contain an inequity. A customer is automatically transferred to MGS upon reaching the 3500 kWh usage level for two consecutive months, but the customer cannot return to SGS until they have remained below the 3500 kWh threshold for twelve consecutive months. And even if they do that, they are not automatically returned to SGS. Rather, the customer is required to contact Delmarva and specifically ask to be returned to SGS – and sometimes they are not returned even when they have asked. The same is true for customers that are transferred from MGS to LGS: the transfer to LGS is automatic, but customers must ask Delmarva to be returned to MGS.

7. This inequity has caused many commercial customers to overpay for service because the transfers from MGS to SGS and from LGS to MGS are not automatic, although the transfers from SGS to MGS and MGS to LGS *are*. There is no explanation of rate classifications on the Company’s bills, nor do the bills contain a cite to Delmarva’s electric tariff.

8. It is unreasonable to place the responsibility for requesting a transfer to a lower-cost service solely in the hands of Delmarva’s commercial customers. Delmarva customers have paid hundreds of millions of dollars for AMI, for the Company’s new billing system, and for education from the Company, including thirteen “energy advisors and specialist[s]” whose sole

⁸*Id.* at Leaf No. 44 and Fourth Revised Leaf No. 62.

⁹*Id.* at Eighth Revised Leaf No. 102 and Second Revised Leaf No. 102a.

purpose was to assist customers “in *education efforts* and answering questions as the State moves forward with its energy goal of reducing electric energy usage by 15% by 2015.”¹⁰

7. The Commission may recall the formal complaint filed by Giggiebugs Early Learning Center (“Giggiebugs”),¹¹ which involved a dispute about the proper interpretation of “usage” as used in the SGS, MGS, and Rider “NEM” tariffs. Giggiebugs’ owner, Richard Spinks, was automatically transferred from SGS to MGS after Giggiebugs’ usage exceeded 3500 kWh for two consecutive months. Mr. Spinks then decided to install solar panels to reduce his usage (and his bills). Delmarva insisted that Giggiebugs was ineligible to return to SGS because it was “drawing” more than 3500 kWh from the electric system every month, even though Giggiebugs’ net usage qualified it for SGS. After an evidentiary hearing before a hearing examiner, the Commission held that “usage” means “net usage,” not “draw,” and thus a net metering customer should be placed in a service classification based on the customer’s net usage (that is, when the customer’s production is netted against the customer’s draw).

8. The Commission’s *Giggiebugs* decision, and a newspaper article on that decision, have spawned other informal complaints to the DPA and Staff.

a. **DPA Complaint #1.** This customer was placed on MGS based on the previous occupant’s usage without being offered the option of SGS service. According to Delmarva, “Customers inherit what the previous customers [sic] rate was.” Delmarva did not ask this customer what type of business would be conducted at the premises, nor did the customer select the SGS rate classification even though it was entitled to do so pursuant to Section V.C. of

¹⁰Docket No. 09-414, Rebuttal Testimony of W. Michael VonSteuben, p. 26 (emphasis added).

¹¹Docket No. 18-1194.

the tariff. After realizing that it was eligible for SGS, the customer requested Delmarva to place it in the SGS service classification.

b. **DPA Complaint #2.** This customer was originally on SGS, but after using more than 3500 kWh for two consecutive months, Delmarva automatically transferred them to MGS pursuant to the terms of the tariff. This customer contacted Delmarva on several occasions asking what the charges on the bills meant. On or about March 15, 2018, the customer again called Delmarva “with questions regarding [its] bill.” At no point did Delmarva inform the customer that their bill was high due to being on MGS rather than SGS, for which the customer was then eligible (and to which they could have transferred some months prior.). After getting no satisfaction from their contacts with Delmarva, the customer contacted the DPA in January 2020. The DPA asked Delmarva to transfer the customer to SGS immediately. Despite a new meter being installed on February 27, 2020, the customer’s March 4, 2020 bill still states that the customer is on Medium General Service, *and* their bill is now being estimated.

c. **Staff Call #1.** An MGS customer contacted the Commission Staff to complain that despite making the request to Delmarva numerous times (starting in June 2019) to be moved to SGS, their bill still reflected that they were an MGS customer. According to a representative of the customer, “[w]hen you call billing, they [Delmarva] have said for several months that they are seeing it as Small [G]eneral Service, but when the bill is received, the change is never made. This has cost [the customer] thousands of dollars in demand-related charges in this period.”

d. **Staff Call #2.** Another customer, once they became aware of their qualification for SGS, called Delmarva to be transferred to SGS. A Delmarva representative told the customer that “they were all set to have their service changed to SGS-ND for the following

billing period.” When the customer received the next month’s bill, it still showed them as an MGS customer. The customer told Staff that when he called again, the Delmarva representative told them there was no record of his previous call or the change to SGS reflected in the call notes.

9. There are about 13,700 MGS customers and 400 LGS customers in Delmarva’s service territory. Delmarva has informed the DPA that approximately 5,000 of the MGS customers currently qualify for SGS, and 200 of the LGS customers currently qualify for MGS. If Delmarva can automatically transfer customers to MGS/LGS when their usage exceeds the limits of SGS/MGS, it can surely automatically transfer customers back to SGS/MGS when they once again become eligible for those rate classifications. The only equitable resolution to this problem is to make transfers back to a lower rate classification as automatic as transfers to a higher rate classification are.

10. Additionally, Delmarva has advised Staff and the DPA that even if a customer is transferred to the lower rate classification, the transfer does not occur immediately. Instead, it occurs effective with the next billing cycle. Delmarva advised Staff and the DPA that switching a customer from SGS to MGS requires a meter swap, and switching a customer from MGS to LGS also requires a meter swap.

11. As a result of the Giggiebugs article and the discussions with Delmarva that revealed the number of MGS and LGS customers that were eligible for lower rate classifications, Staff and the DPA issued a press release advising MGS and LGS customers to call Delmarva and ask if they qualify for a lower rate classification. If they do, Staff and DPA believe they should be transferred immediately, and their rates should be calculated based on the appropriate classification as of the date that they requested the different rate classification. These customers, many of whom

may have already been paying unnecessarily high bills, should not have to wait until their next billing cycle or until Delmarva gets around to swapping out their meter.

12. Finally, the Company informed Staff and the DPA that when a new Customer begins taking service in a Premises that was previously occupied by a Customer taking service under Service Classifications MGS-S or LGS-S, the Company automatically places the new Customer on the same Service Classification as the previous occupant of the Premises. The Company does not inquire of the new Customer what type of business it will be conducting at the Premises. But it cannot be assumed that the new Customer is engaging in the same type of business as the previous occupant. A manufacturing operation may move out, to be replaced by a warehousing operation or a retail operation. Those types of businesses may have significantly different usage and demand than a manufacturing business. Rather than simply assuming that the new Customer will have the same usage and/or demand as the previous occupant, the Company's Customer Service Representatives should ask the new Customer what type of business will be operated on the Premises and assist the new Customer in selecting the Service Classification that is most financially advantageous to the new Customer.

13. Staff and the DPA propose modifications to Second Revised Leaf No. 7, First Revised Leaf No. 16, Fourth Revised Leaf No. 60, Fourth Revised Leaf No. 62, and Fifth Revised Leaf No. 65. See Exhibit 2.

WHEREFORE, the Staff and the DPA respectfully request the Commission to order Delmarva to amend its electric tariff as set forth in Exhibit 2.

/s/ James McC. Geddes

James McC. Geddes (De. Bar No. 690)

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Rate Counsel for the Delaware Public Service
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and

/s/ Regina A. Iorii

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Counsel for the Delaware Division of the
Public Advocate

Dated: March 10, 2020

VERIFICATION

Andrew Slater, having been duly sworn, states as follows:

1. I am the appointed Public Advocate for the State of Delaware.
2. I hereby state that the facts alleged in the attached Petition are true and correct to the best of my knowledge, information and belief.



Andrew Slater

SWORN TO AND SUBSCRIBED before me this 10th day of March, 2020.




William F. O'Brien
Delaware Bar No. 3628
Admitted 12/19/1997

VERIFICATION

Connie S. McDowell, having been duly sworn, states as follows:

1. I am a Senior Regulatory Policy Administrator for the Delaware Public Service Commission.
2. I hereby state that the facts alleged in the attached Petition are true and correct to the best of my knowledge, information and belief.


Connie S. McDowell

SWORN TO AND SUBSCRIBED before me this 10th day of March, 2020.



William F. O'Brien
Delaware Bar No. 3628
Admitted 12/19/1997

EXHIBIT 1

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

RECEIVED
07 FEB -6 PM 3:04
DELAWARE P.S.C.

IN THE MATTER OF DELMARVA)
POWER & LIGHT COMPANY'S)
BLUEPRINT FOR THE FUTURE PLAN)
FOR DEMAND SIDE MANAGEMENT,)
ADVANCED METERING AND ENERGY)
EFFICIENCY (Opened Feb. __, 2007))

PSC Docket No. _____

07-28

**BLUEPRINT FOR THE FUTURE
APPLICATION AND PLAN**

Dated: February 6, 2007

**Delmarva Power & Light Company
800 King Street, 5th Floor
P.O. Box 231
Wilmington, DE 19899-0231**

Advocate and the PSC, the Company can discuss options and ideas to encourage renewable generation resources.

B. Advanced Metering and Related Technology

1. AMI Infrastructure

AMI will provide customers and the utility with more detailed and timely information on energy use. The Company will replace approximately 430,000 existing gas and electric meters¹⁰ with new computer imbedded intelligent meters. These intelligent meters will ultimately allow the Company to collect and transmit customer information such as billing data, usage patterns, voltage levels and outage information, and ultimately send information to Delmarva's computer systems, where the Company can process it and use it to better serve customers. This system could also be used to communicate directly to customers' thermostats and appliances and control the operation of this equipment based on energy prices. In the future, this same system will allow Delmarva to send information to customers, via a display in the customer's homes or to an internet site, the price of electricity – either real time prices or day ahead pricing. Eventually appliances will be in homes and businesses that are able to directly respond to energy prices.

Most recently, the Company participated in a working group in Docket No. 57 and worked collaboratively with the Division of the Public Advocate and the Commission Staff to prepare a report on Advance Metering, which was submitted to the Commission on November 15, 2006. Much of this joint report will be critical to helping establish the framework for the Advance Metering Infrastructure system. The Company proposes that a working group, comprised of the same stakeholders, work with Delmarva to develop the implementation plan for full scale AMI implementation. Timelines for starting work were laid out in Docket 57, and the Company proposes to maintain this timeline going forward to plan the implementation of a full scale roll out.

In addition to the direct customer benefits, the Company expect several operating efficiencies resulting from AMI technology, such as the ability to remotely turn customers on/off (an advantage in areas with high seasonal occupancy), theft detection and, as the Company will be able to monitor (as opposed to estimate) actual load, more accurate transformer and circuit wire sizing. Customer restoration will be improved due to more detailed information around the number and location of customers out of service coming from the advanced meters. Not only will this allow us to quickly respond, but it will also help us better pinpoint the location of the problem. Delmarva will share with the working group with a more detailed business case upon full scale implementation.

2. Smart Thermostat Technology

Another optional technology the Company is recommending is the implementation of Smart Thermostats for residential and commercial customers. These will not only have the obvious benefit of allowing customers to precisely control their heating and air conditioning use,

¹⁰ 303,000 electric meters, 126,000 gas meters.

1 **DELMARVA POWER & LIGHT COMPANY**
2 **TESTIMONY OF WILLIAM M. GAUSMAN**
3 **BEFORE THE DELAWARE PUBLIC SERVICE COMMISSION**
4 **CONCERNING AN INCREASE IN ELECTRIC BASE RATES**
5 **DOCKET NO. 11-__**
6

7 **1. Q: Please state your name, position and business address.**

8 **A:** My name is William M. Gausman. I am Senior Vice President, Strategic
9 Initiatives for Pepco Holdings Inc. (PHI). I am testifying on behalf of Delmarva Power
10 and Light Company (Delmarva or the Company). My business address is 701 Ninth St.
11 N. W. Washington D.C. 20068.

12 **2. Q: What are your responsibilities in your role as senior vice president, strategic**
13 **initiatives?**

14 **A:** I am responsible for the oversight of strategic projects that focus on the long term
15 support of the transmission and distribution systems. This includes the implementation
16 of our Advanced Metering Infrastructure (AMI) and other PHI Blueprint for the Future
17 (Blueprint) initiatives, procurement of energy (both gas and electric), compliance with
18 the North American Electric Reliability Corporation (NERC) and state reliability
19 standards to ensure the safe and reliable operation of the electric system, and the
20 construction of the Mid-Atlantic Power Pathway Project (MAPP Project). I have in the
21 past been responsible for the engineering of all reliability programs and the design of all
22 assets that support the transmission and distribution of electric service across the service
23 areas of Delmarva Power & Light Company, Atlantic City Electric Company (ACE), and
24 Potomac Electric Power Company (Pepco).

1 The MDMS and associated information technology (IT) capabilities provide the
2 ability to use the information received from the customer to validate the meter data and to
3 provide billing information to the customer billing system. This information is also used
4 in the web presentation of the customers' energy usage to help customers understand
5 their usage and better manage their overall energy use.

6 **14. Q: Please discuss the plant in service costs of the AMI project that the Company**
7 **requests be included in its base rates in this proceeding. How do the current costs**
8 **compare those that were included in the Company's AMI business case filed with**
9 **the Commission in August 2007?**

10 A: A summary comparison of the plant in service costs is shown below in Table 5

11 **Delmarva Delaware**
12 **AMI Component Cost Comparison**
13 **2007 Through 2011**

14 **Table 5**

Cost Area	2007 Business Case	Costs as Presented in the Revenue Requirement for this Case
Capital Cost	\$73.5 million	\$72.04 million

15
16 Company Witness Ziminsky presents the proposed ratemaking approach for these
17 costs and associated regulatory assets in his Direct Testimony and Schedules. It is also
18 important to note that these costs were identified in 2007 and have not been adjusted to
19 reflect current labor rates or other material price increases.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)	
DELMARVA POWER & LIGHT COMPANY FOR)	PSC DOCKET NO. 11-528
AN INCREASE IN ELECTRIC BASE RATES)	
AND MISCELLANEOUS TARIFF CHANGES)	
(FILED DECEMBER 2, 2011))	

DIRECT TESTIMONY OF

GARY C. COHEN

ON BEHALF OF

COMMISSION STAFF

May 15, 2012

Direct Testimony and Exhibits of
Gary Cohen

1 included in the current requested revenue increase, but discussed in terms of future
2 recovery.

3 Regarding the first set of AMI costs the Company seeks to increase the AMI plant in
4 service costs to \$72.04 million, which is a \$2.3 million increase over the costs included in
5 the previous rate case Docket No. 09-414.² According to Company witness Ziminsky,
6 this increase is offset by a \$2.3 million reduction in meter reading costs compared to the
7 previous rate case.³ According to witness Gausman, the plant in service costs of \$72.04
8 million are consistent with the Company's forecasted AMI costs as presented in its
9 August 2007 AMI Business Case at Page 8 at \$73.5 million.⁴ This is supported by the
10 AMI business case.

11 The Company has also included \$571,379 a year as part of the AMI Regulatory Asset in
12 Rate Base #16.⁵ According to a data request response from the Company, "the AMI
13 Regulatory Asset reflected on RB#16 represents the deferred O&M costs approved in
14 Docket No. 09-414 (15 year amortization of \$1.047 million incurred through July
15 2009)."⁶ I take no position on this first set of AMI costs included in the Company's \$31
16 million requested revenue increase.

17 The second set of AMI costs are not included in the requested increase, but future
18 recovery plans are proposed as part of this case. These costs include \$39 million in AMI-
19 related regulatory assets currently being tracked by the Company. According to
20 Company witness Ziminsky, this includes:

² Delmarva Direct Testimony of Jay C. Ziminsky, page 14, lines 11-21.

³ Delmarva Direct Testimony of Jay C. Ziminsky, page 14, lines 22-23 and page 15, lines 1-3.

⁴ Delmarva Direct Testimony of William M Gausman, page 15, lines 4-7.

⁵ Schedule RB #16.

⁶ Delmarva's Response to Data Request PSC-GEN-58.

Direct Testimony and Exhibits of
Gary Cohen

- 1 • \$25.8 million- the net book value of the meters retired early due to the
2 AMI deployment.
- 3 • \$11.1 million in deferred operating and maintenance costs from August
4 2009 through the end of the test period, December 2011.
- 5 • \$3.1 million in returns recovering the costs “associated with the AMI
6 regulatory assets as well as AMI incremental net rate base (AMI meters
7 net of non-AMI meters, communication equipment, software, and
8 hardware.”
- 9 • \$0.6 million in incremental depreciation expense of the AMI meters.
- 10 • \$1.6 reduction in O&M expenses.⁷

11 **Q. What are the major benefits and associated cost savings as indicated by the**
12 **Company’s Advanced Metering Business Case anticipated to be realized by**
13 **Delmarva Power’s Delaware customers?**

14 **A. The major benefits as filed in the AMI Business Case in Docket 07-28 include cost**
15 **reductions for the Company and cost savings for customers in the form of reduced energy**
16 **costs associated with dynamic pricing rate designs and direct load control programs.**
17 **The major benefits representing cost reductions for the Company are indicated in the**
18 **following chart (Figure 4) filed by the Company in Docket No. 07-28:**

⁷ Delmarva Direct Testimony of Jay C. Ziminsky, page 15, line 11 through page 17, line 9.

DELMARVA POWER & LIGHT COMPANY
REBUTTAL TESTIMONY OF W. MICHAEL VONSTEUBEN
BEFORE THE DELAWARE PUBLIC SERVICE COMMISSION
CONCERNING AN INCREASE IN ELECTRIC BASE RATES
PSC DOCKET NOS. 09-414/09-276T

1. Q: Please state your name and position.

A: My name is W. Michael VonSteuben. I am Manager, Revenue Requirements in the Regulatory Affairs Department, Pepco Holdings Inc. (PHI). I am testifying on behalf of Delmarva Power & Light Company (Delmarva, Delmarva Power, and Company).

2. Q: Did you previously submit Direct Testimony in this case?

A: Yes.

3. Q: What is the purpose of your Rebuttal Testimony in this proceeding?

A: First, I will address the overall policy issue that Division of Public Advocate (DPA) Witness James D. Cotton and Staff Witness Donna H. Mullinax raise regarding the failure to recognize reasonably known and measurable changes to make the test period representative of the rate effective period. Second, I will provide a listing of all uncontested adjustments supported by the Commission Staff and DPA. I then will address the contested adjustments and proposals made by DPA Witnesses Cotton and Andrea C. Crane and Staff Witness Mullinax in the following areas:

- a) Adjustment No. 2, Regulatory Commission Expense,
- b) Adjustment No. 3, Injuries and Damages Normalization,
- c) Adjustment No. 4, Uncollectible Expense,

1 **47. Q: What is the DPA's position on this adjustment?**

2 **A:** DPA Witness Cotton does not question with the amount of the expense
3 but opposes it merely because it is outside the Company's test period.

4 **48. Q: Please comment on DPA's position.**

5 **A:** This is another good example of why the Commission should not follow
6 the DPA's position of failing to recognize reasonably known and measurable
7 changes to make the test period representative of the rate effective period. In this
8 example, the CAM audit was ordered by the Commission. This audit is a known
9 event and will not impact volumes of sales or revenues. This adjustment is
10 accepted by the Staff and should be approved by the Commission.

11 **Adjustment No. 14, Energy Advisors**

12 **49. Q: Please explain your adjustment for the costs of new Energy Advisors.**

13 **A:** I included an adjustment to reflect an additional 23 full time employees at
14 the Company's call center. The objective is to have energy advisors and specialist
15 available to assist in education efforts and answering questions as the State moves
16 forward with its energy goal of reducing electric energy use by 15% by 2015.

17 **50. Q: What is the Staff's position regarding these Energy Advisors?**

18 **A:** Staff allows an adjustment for 13 full time employees who will be either
19 hired, or in the process of being hired, by March 1, 2010.

20 **51. Q: Please comment on the Staff's position.**

21 **A:** I agree with Staff. These positions are reasonably known and measurable
22 and should be allowed for ratemaking purposes. I recommend that the

EXHIBIT 2

RULES AND REGULATIONS

SECTION I - GENERAL

A. Filing and Posting

This Electric Service Tariff is supplemental to the Public Utilities Act of 1974 as amended, and to the Electric Utility Restructuring Act of 1999, and to the "Regulations Governing Service supplied by Electrical Corporations" of the Commission and comprises the Rules and Regulations of service and the Service Classifications under which electricity shall be delivered and supplied to its Customers by Delmarva Power & Light Company. A copy of this Tariff is on file with the Commission and open to inspection in each of the offices of the Company.

Upon application for service, the Company shall provide each Customer with either a printed copy of the Electric Service Tariff, or information on where and how to access a copy of the Electric Service Tariff. Additionally, information indicating how and where to access the Electric Service Tariff shall be printed on Customer bills.

B. Revisions

This Tariff may be revised, amended, supplemented or otherwise changed from time to time, in accordance with rules and procedures of the Commission.

C. Statement by Agents

No representative has authority to modify any rule or provision of this Tariff, or to bind the Company by any promise or statement contrary thereto, unless the same shall be incorporated in a contract.

D. Rules and Regulations

The Rules and Regulations are a part of every contract for service and govern all classes of service unless otherwise specifically stated by a Service Classification.

E. No Prejudice of Rights

The failure by the Company to enforce or the decision not to enforce any of the provisions of this Tariff shall not be deemed a waiver of the right to do so.

F. Gratuities to Employees

The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered.

G. Resolution of Disputes

When an Applicant or Customer has an issue to resolve with the Company, they should first contact the Company to resolve the issue. The Company and the Applicant or Customer shall use good faith and reasonable efforts to informally resolve the issue. If the Applicant or Customer wishes to file a formal complaint to resolve a dispute involving the Company, they may do so through the use of the procedures of the Division of the Public Advocate or the Commission.

When an Applicant or Customer has an issue to resolve with an Electric Supplier, other than the Company, the Applicant or Customer should first contact that Electric Supplier to resolve the issue. If the Applicant or Customer contacts the Company, the Company will make every effort to assist them toward possible solutions. The Company is under no obligation to resolve disputes between an Applicant or Customer and an Electric Supplier. If

RULES AND REGULATIONS

SECTION V - ADMINISTRATION OF SERVICE CLASSIFICATION

A. Load Inspections

When the delivery of service is under Service Classifications which base the billing demand or minimum charge upon the Customer's connected load, the Company's representative shall have access to the premises at reasonable times to inspect and count the connected load.

B. Billing Charges

When demands are reassessed or redetermined, or power factor recomputed or remeasured as the result of an investigation made at the Customer's request or by routine inspection, the change of billing to the new demand or power factor shall first apply to the bill for the month during which the investigation is made.

C. Choice of Service Classification

When two or more Service Classifications are available for the same class of service, the Customer shall select the Service Classification to be applied. ~~When a Customer seeks to begin service to a Premises that was previously occupied by another Customer, the Customer Service Representative assisting the new Customer shall question the new Customer about the type of business to be transacted at the Premises (i.e., retail, repair, manufacturing, etc.) and help the Customer select the Service Classification that is most financially beneficial to the Customer. The Company shall not automatically place a new Customer on Service Classifications "MGS-S" or "LGS-S" simply because the previous occupier of the Premises received service under those Service Classifications.~~

D. Company Assistance

The Company, ~~upon request,~~ shall assist the Customer in the selection of the most advantageous Service Classification, but the duty and responsibility of making the selection shall ~~at all times~~ rest with the Customer.

~~E. Changing Service Classifications~~

~~When a Customer has selected the Service Classification, its application shall remain in effect for the contract term which the Service Classification specifies.~~

SERVICE CLASSIFICATION "SGS-ND"

SMALL GENERAL SERVICE-NON DEMAND RATE

A. Availability

This rate is available to any Customer having a maximum monthly usage of less than 3,500 kWh and desiring service at secondary voltage as defined in Section XI-I of the Rules and Regulations. Any Customer taking service under this service classification whose kWh usage for any 2 consecutive billing months is equal to or exceeds 3,500 kWh shall be automatically transferred to Service Classification "MGS-S", effective with billing on and after the date the Customer became subject to Service Classification "MGS-S" the next succeeding billing month. Any Customer so transferred shall remain on "MGS-S" for at least 12 billing months, even though the Customer's monthly usage in succeeding billing months may be less than 3,500 kWh. After such 12 billing months, at the Customer's option, the Customer may ~~shall automatically~~ be transferred back to this Service Classification "SGS-ND" provided that the Customer has not used more than 3,500 kWh for any 2 consecutive billing months within the most recent 12 billing months. ~~The Customer transferred back to "SGS-ND" shall be billed at the "SGS-ND" rate effective with the date the Customer became eligible for transfer back to "SGS-ND."~~

B. Contract Term

Contracts, when required, are for an initial period of one (1) year with automatic month-to-month extensions until terminated. A contract for an initial period of more than one (1) year may be required if special investment by the Company is necessary.

C. Monthly Rate

The Monthly Charges and Rates under this Service Classification are shown on Tariff Leaf No. 43.

D. Standard Offer Service

For a new or successive Customer, the Company shall be the Electric Supplier and shall provide its combined Electric Supply & Delivery Service including Standard Offer Service for at least the first billing month for the account, during and after which the Customer shall have the right to provide the proper notice necessary to elect to purchase its electric supply from an Electric Supplier with deliveries to begin on the Customer's next scheduled meter reading date. For a Customer who has the right to select an Electric Supplier and has not exercised that right, the Company shall be the Electric Supplier and shall provide its combined Electric Supply & Delivery Service including Standard Offer Service for the Customer. Once a Customer has purchased its electric supply services from an Electric Supplier other than the Company and then returns to the Company for its electric supply services, the Customer must remain with the Company's Standard Offer Service until its next scheduled meter reading date before the Customer may be served by an Electric Supplier.

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E. Minimum Charge

The minimum monthly charge shall be the Customer Charge.

F. Water Heating

This provision is closed to new Customers and to changes in existing service for existing Customers.

SERVICE CLASSIFICATION "MGS-S"
MEDIUM GENERAL SERVICE - SECONDARY RATE

A Availability

This rate is available to any Customer having monthly usage of more than 3,500 kWh for 2 consecutive months and a summer maximum measured demand of less than 300 kW and desiring service at secondary voltage as defined in Section XI-I of the Rules and Regulations. Any Customer taking service under this service classification whose measured demand in any of the summer billing months of June through September is equal to or exceeds 300 kW shall be automatically transferred to Service Classification "LGS-S", effective with the billing on and after the date the Customer became subject to Service Classification "LGS-S," next succeeding billing month.

Any Customer so transferred shall remain on "LGS-S" for at least 12 billing months, even though the Customer has not had a summer maximum measured demand of 300 kW or greater. After such 12 billing months, the Customer shall automatically be transferred back to this Service Classification "MGS-S" provided that the Customer has not had a summer maximum demand of 300 kW or greater within the most recent 12 billing months. The Customer transferred back to "MGS-S" shall be billed at the "MGS-S" rate effective with the date the Customer became eligible for transfer back to "MGS-S."

B Contract Term

Contracts, when required, are for an initial period of one (1) year with automatic month-to-month extensions until terminated. A contract for an initial period of more than one (1) year may be required if special investment by the Company is necessary.

C Monthly Rate

The Monthly Charges and Rates under this Service Classification are shown on Tariff Leaf No. 44.

D Standard Offer Service

For a new or successive Customer, the Company shall be the Electric Supplier and shall provide its combined Electric Supply & Delivery Service including Standard Offer Service for at least the first billing month for the account, during and after which the Customer shall have the right to provide the proper notice necessary to elect to purchase its Electric Supply from an Electric Supplier with delivery to begin on the Customer's next scheduled meter reading date. For a Customer who has the right to select an Electric Supplier and has not exercised that right, the Company shall be the electric supplier and shall provide its combined Electric Supply & Delivery Service including Standard Offer Service for the Customer.

Once a Customer has purchased its electric supply services from an Electric Supplier other than the Company and then returns to the Company for its electric supply services, the Customer must remain with the Company's Standard Offer Service until its next scheduled meter reading date before the Customer may be served by an Electric Supplier.

E Measured Demand

1. The measured demand shall be the greatest demand established by the Customer during any fifteen (15) minute period of the month as measured by demand meter, taken to the nearest whole kilowatt, but not less than one (1) kW in any month when kilowatt-hour usage is greater than zero, except as modified by paragraphs 2 or 3.
2. When a Customer has contracted for off-peak service, the measured demand shall be the greatest demand during a fifteen (15) minute interval of the month which occurs during on-peak hours, taken to the nearest whole kilowatt, but not less than one (1) kW in any month when kilowatt-hour usage is greater than zero.
3. For demands of less than twenty kilowatts (20 kW), the demand of a Customer may be determined, at the option of the Company, by measurement, by assessment after test, or by estimation. When a Customer's demand is estimated it shall be the kilowatts resulting from dividing the kilowatt-hours of energy used during the month by one hundred and seventy-five (175) hours, except that no demand will be estimated at more than twenty kilowatts (20 kW) nor less than one (1) kW. The Company, on request of a Customer whose demand is so estimated, will test measure the demand, and thereafter will either assess a demand of not less than one (1) kW based on the test measurements or install a demand meter where the Customer's use of energy exceeds one hundred seventy-five (175) hours use of its demand.

SERVICE CLASSIFICATION "LGS-S"

LARGE GENERAL SERVICE - SECONDARY RATE

A Availability

This rate is available to any Customer having a summer maximum measured demand of 300 kW or greater and desiring service at secondary voltage as defined in Section XI-I of the Rules and Regulations. Any Customer served under this service classification after June 1, 1980 shall remain on this classification for at least 12 billing months, even though such Customer's maximum measured demand in succeeding summer months may be less than 300 kW. After such 12 billing months, at the Customer's option, the Customer may shall be transferred to Service Classification "MGS-S" provided that the Customer has not had a summer maximum measured demand of 300 kW or greater within the most recent 12 billing months. The Customer transferred back to "MGS-S" shall be billed at the "MGS-S" rate effective with the date the Customer became eligible for transfer back to "MGS-S."

B Contract Term

Contracts, when required, are for an initial period of one (1) year with automatic month-to-month extensions until terminated. A contract for an initial period of more than one (1) year may be required if special investment by the Company is necessary or for demands greater than one thousand kilowatts (1,000 kW).

C Monthly Rate

The Monthly Charges and Rates under this Service Classification are shown on Tariff Leaf No. 45

D Standard Offer Service and Hourly Priced Service

For a new or successive Customer, the Company shall be the Electric Supplier and shall provide its combined Electric Supply & Delivery Service including Standard Offer Service for at least the first billing month for the account, during and after which the Customer shall have the right to provide the proper notice necessary to elect to purchase its Electric Supplier from an Electric Supplier with deliveries to begin on the Customer's next scheduled meter reading date. For a Customer who has the right to select an Electric Supplier and has not exercised that right, the Company shall be the electric supplier and shall provide its combined Electric Supply & Delivery Service including Standard Offer Service for the Customer.

Once a Customer has purchased its electric supply services from an Electric Supplier other than the Company and then returns to the Company for its electric supply services, the Customer must remain with the Company's Standard Offer Service or Hourly Priced Service, as applicable, until its next scheduled meter reading date before the Customer may be served by an Electric Supplier.

E Measured Demand

The measured demand shall be the greater of the maximum demand established by the Customer during any sixty (60) minute period of the month during on-peak hours as measured by demand meter, taken to the nearest whole kilowatt or one-third (1/3) of the maximum demand established during any sixty (60) minute period of the month during the off-peak hours, taken to the nearest whole kilowatt.